



DURHAM CONSORTIUM

DRAFT FY 2014-2015 CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT (CAPER)

Prepared by the Department of Community Development
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Durham, NC 27701



**DRAFT CONSOLIDATED ANNUAL PERFORMANCE AND EVALUATION REPORT
(CAPER)
for
July 1, 2014 – June 30, 2015**

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|--|
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SECTION I. INTRODUCTION

The Consolidated Annual Performance and Evaluation Report (the 'CAPER'), details the housing and community development activities and accomplishments of the City of Durham for the 2014-2015 fiscal year. The FY 2014-2015 CAPER covers the reporting period from July 1, 2014 through June 30, 2015. It describes how the City used Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG) funds.

In FY 2014-2015, the City received and expended the following sources of federal funds:

| Source of Funds | FY 14-15 Grant Award | FY 14-15 Program Income Received | Prior Years Grant Funds Expended in FY 14-15 | FY 14-15 Grant Funds Expended in FY 14-15 | Total Expenditures |
|-----------------|-----------------------|----------------------------------|--|---|-----------------------|
| CDBG | \$1,795,508.00 | \$427,126.36 | \$884,056.80 | \$931,527.87 | \$1,815,584.67 |
| HOME | \$831,909.00 | \$587,924.02 | \$858,854.12 | \$141,260.92 | \$1,000,115.04 |
| ESG | \$147,357.00 | - | \$96,187.63 | \$27,448.91 | \$123,636.54 |
| NSP3 | \$125,298.00 | - | \$125,298.00 | - | \$125,298.00 |
| Total | \$2,900,072.00 | \$1,015,050.38 | \$1,964,396.55 | \$1,100,237.70 | \$3,064,634.25 |

Federal regulations require the CAPER to be submitted to HUD no later than 90 days after the end of the fiscal year. A public comment period of no less than fifteen (15) days is also required. The draft FY 2014-2015 CAPER was available for public review and comment from September 9, 2015 through September 23, 2015. In addition to the Department of Community Development's website at <http://durhamnc.gov/445/Community-Development>. Copies of the draft FY 2014-2015 CAPER have been made available at City Hall – Customer Information Area, the City and County Clerk's Offices, the Department of Community Development, and the Durham County Main Library. Pursuant to federal regulations, the public was notified of the CAPER review period when an advertisement was run in *The Carolina Times*, *The Herald Sun*, and *Que Pasa* newspapers on September, 5, 9 and 10, 2015, respectively. Any citizen who wishes to comment on the information in the CAPER, may submit their written comments to the Department of Community Development, 807 E. Main Street, Bldg. 2, Suite 200, Durham, NC 27701, or Email: Wilmur.Conyers@durhamnc.gov. After the review period, the CAPER will be finalized and submitted to HUD by the required deadline of September 29, 2015.

SECTION II. EVIDENCE OF PUBLIC NOTICE FOR CAPER REVIEW



Notice of CAPER Review

Draft FY 2014-2015 Consolidated Annual Performance and Evaluation Report (CAPER)

The City of Durham is providing an opportunity for citizens to review and comment on the Draft FY 2014-2015 CAPER. The CAPER compares Durham's anticipated performance with actual performance in meeting the priorities and objectives of its HUD-approved Consolidated Plan using Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) funds.

Copies of the Draft CAPER will be available for public review and comment beginning September 9, 2015 through September 23, 2015 at the Department of Community Development located at 807 E. Main Street, Bldg. 2, Suite 200, the Durham County Public (Main) Library, the City and County Clerk's Offices, the front desk of City Hall and on-online at <http://durhamnc.gov/445/Community-Development>.

Any citizen, who wishes to comment on the information in the Draft CAPER, may submit their written comments to the Department of Community Development, 101 City Hall Plaza, Durham, NC 27701, or Email: Wilmur.Conyers@durhamnc.gov. For additional information, please call Wilmur Conyers, Federal Programs Coordinator, Department of Community Development at (919) 560-4570, ext. 22277.

Notice Under the Americans With Disabilities Act

A person with a disability may receive an auxiliary aid or service to effectively participate in city government activities by contacting the ADA Coordinator, voice 919-560-4197, fax 560-4196, TTY 919-560-1200, or ADA@durhamnc.gov, as soon as possible, but no later than 48 hours before the event or deadline date.

SECTION III. ASSESSMENT OF PROGRESS TOWARD FIVE-YEAR AND ONE-YEAR GOALS

The '2010-2015 Five-Year Consolidated Plan' was developed in partnership with Durham County and in collaboration with local citizens, nonprofit organizations, and private entities. The FY 2014-2015 CAPER represents the fifth and final year of the 2010-2015 Consolidated Plan. A collaborative process was used to ensure that needs were identified in conjunction with strategies. In preparing the Five-Year Consolidated Plan, the following two priority needs were identified:

1. Neighborhood Stabilization and Revitalization;
2. Special Needs Housing;

These priorities form the framework for Durham's Five-Year and Annual Action plans, and enable the City to focus its efforts on these specific housing and community development needs. Progress to date in addressing the identified priority needs is summarized below:

Neighborhood Stabilization and Revitalization

Revitalization efforts in the Southside project area moved forward substantially after the completion of Southside site preparation and infrastructure improvements during the previous year. The 132 mixed-income rental units being developed by McCormack Baron Salazar were completed and fully leased up at the end of the reporting period.

Elsewhere in Southside an additional replacement home was completed for a Southside homeowner whose existing home was not feasible for rehabilitation. Site preparation and infrastructure improvements associated with the homeownership portion of the development had been completed in the previous reporting period, and construction of new homes continued throughout FY 2014-2015. As of June 30, 2015, 17 market-rate homes and 24 below 80% Area Median Income homes had been completed, sold and occupied. Eleven additional homes were in the construction pipeline. Of the 48 available lots, 44 had been reserved by the end of the fiscal year.

Both local and HOME CHDO funds had been awarded to the Durham Community Land Trustees for a permanently affordable (below 50% AMI) rental project called the Piedmont Rentals. The project consists of the total renovation of three duplex units and three single family units as affordable rental housing. However, during the course of the year it was determined two of the duplexes were beyond rehabilitation. The remaining five properties were substantially rehabilitated by the end of June 2015.

The Southside Neighborhood Association continued to meet during the year and efforts were made to link new resident homeowners with existing residents through the use of a listserv. The Southside Outreach Coordinator continued to provide support to the Association, and coordinate program activities for neighborhood activities.

The City's objective of attracting private investment into the neighborhood gained noticeable results in this reporting year. Deteriorated properties purchased by private investors for renovation were being completed and sold. Additional lots and vacant homes in the surrounding Southside neighborhood are being acquired for newly constructed 'For Sale' houses. A large parcel between Piedmont Avenue and Enterprise Street adjacent to The Bungalows and Piedmont Rentals was sold by the Self Help Credit Union to one of the Southside builders for additional market rate homes and two affordable rental properties.

Special Needs Housing

Construction of Community Alternatives for Supportive Abodes (CASA) first phase of Denson Apartments homeless veterans containing 11 units were completed and fully leased up during the reporting period. Towards the end of the fiscal year, a groundbreaking was held for Denson Apartments Phase II, which will provide 12 additional homeless housing units.

SECTION IV. FAIR HOUSING

Impediments to Housing Choice

As part of its certification to affirmatively further fair housing, HUD requires the City to conduct an Analysis of Impediments to Fair Housing Choice (AI). The City must also take the appropriate actions to overcome the effects of any impediments identified in the analysis. During FY 2014-2015, the City with the assistance of Urban Design Ventures, LLC, completed its 2015-2020 Analysis of Impediments to Fair Housing Choice (AI).

Actions to Eliminate Impediments

In FY 2014-2015 the City of Durham continued its support for homeownership through the provision of second mortgage financing to low- and moderate-income persons in addition to supporting the development of affordable single and multi-family housing units. DCD staff continued to participate in and disseminate information on ownership, and on the affordable rental opportunities at The Lofts Phase I, and the soon to be completed Piedmont Rentals, Fair Housing information, Financial Literacy, and technical support was provided for Durham Mayor William Bell's Anti-Poverty Reduction Initiative through the assignment of two dedicated DCD staff. DCD staff also participated in numerous workshops, seminars, and public events, including Hispanic outreach activities at a Por Una Vida Mejor event, and at Durham's Latino Festival.

In FY 2014-2015, the DCD continued to hold workshops and informational events to inform City residents about the affordable rental and single-family housing opportunities in the Southside neighborhood. DCD staff connected prospective LMI home buyers with the DCD's dedicated housing counselor who individually helps buyers overcome barriers to successfully obtain first mortgage financing. Hundreds of residents, lenders, realtors and media representatives took part in these events.

| Southside Outreach Efforts | |
|-----------------------------------|--|
| Date | Activity |
| 7/16 & 7/17/2014 | City of Durham Fire Administration Bldg.; employee presentations |
| 7/16/2014 | Interview and site visit Que Pasa? newspaper reporter |
| July, August, Sept. | Development of Southside Projects Marketing brochure |
| 8/3/2014 | Por Una Vida Major event. Invitation of Que Pasa? newspaper |
| 9/25/2014 | Que pasa Ads run for Spanish workshops |
| 9/16 & 9/20 2014 | Spanish language workshops for Southside homes; DRFC |
| 9/24/2014 | Durham County Housing Programs employees |
| November 2014 | Minority ownership focus – attracting African American buyers |
| 1/9/ 2015 | Informational session Durham Economic Resource Center |
| 2/13/2015 | Durham Center for Senior Life; Reverse Mortgage presentation |
| 2/25/2015 | Minority focus group for increasing African American ownership |
| 3/7/2015 | Homeownership Fair Southpoint Mall |

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| 3/8/2015 | Gethsemane Baptist Church congregation, Southside |
| 3/26 & 3/31/2015 | Marketing sessions with minority realtors in Southside homes |
| 4/13/2015 | Jesus Word Church, North East Central Durham |
| 6//24/2015 | Homeownership Week celebration in Southside |

DCD staff took part in periodic meetings on the Poverty Reduction Initiative's Financial Literacy and Housing Committees. The initiative focuses on two of the City's poorest Census Block groups in North East Central Durham. In addition, DCD staff meets monthly with members of the Citizens Advisory Committee (CAC), a group of residents appointed by the City and County of Durham. The CAC represents low-wealth residents to help guide the Department on pressing affordable housing, homeless and equal justice concerns.

SECTION V. AFFORDABLE HOUSING ACTIONS FOR EXTREMELY LOW, LOW/MODERATE-INCOME RENTERS AND OWNERS

Actions Taken and Accomplishments to Meet Worst Case Needs

HUD defines worst-case housing needs as those where low-income renter households pay more than half of their incomes for rent, are living in substandard housing, or individuals who are homeless. During FY 2014-2015, the City of Durham continued to invest funding to improve housing quality and energy efficiency for the aforementioned populations.

During this reporting period, 8 households received down payment assistance to purchase newly constructed homes in the Southside project. Second mortgage loans at 0% were provided to 6 Habitat for Humanity of Durham homebuyers. Two below 80% AMI buyers received down payment assistance through the use of Individual Development Accounts (IDAs). One additional below 80% AMI buyer purchased a home using special City of Durham financing at 2% in Eastway Village.

Substantial Rehabilitation Program

The City's Substantial Rehabilitation Program requires participants to be owner-occupants. This program provides assistance to individuals whose homes have physical deficiencies more extensive than can be addressed under the Urgent Repair Program. Program participants must be elderly or disabled with incomes at or below 50% of the Area Median Income to receive a forgivable loan. Priority is given to the housing units with the greatest need, usually having at least three severe conditions. Severe conditions include roof deterioration with documented water penetration, severely damaged or non-repairable windows or doors, severely damaged or non-repairable plumbing, inadequate or dangerous electrical systems, dangerous or inadequate HVAC systems, deteriorated structural elements or absence of needed handicap access or modifications. Assistance is provided as a deferred, forgivable loan, forgiven over 15 years for elderly or disabled owner occupants with incomes at or below 50% of the area median income. All other qualified owner-occupant

households with incomes between 51% and 80% of the area median income are eligible to receive assistance in the form of a 2% interest loan. During this report period, one household received a replacement unit.

Urgent Repair Program

CDBG funds were also used to provide homeowners with assistance under the City's Urgent Repair Program. This program addresses conditions that pose an imminent threat to the health and safety of the occupants, improve accessibility by making physical handicap adaptations, or address an urgent need like lack of heat or air conditioning, or seriously leaking roofs. During this report period, 13 households were assisted.

SECTION VI. CONTINUUM OF CARE PROGRESS TO HELP HOMELESS PEOPLE

Actions to Plan and/or Implement Continuum of Care (CoC)

Durham's Continuum of Care (CoC) is a community collaborative process where housing and service providers plan and implement strategies to reduce the number of people experiencing homelessness, and the length of time that they are homeless in Durham. Under the leadership of the Homeless Services Advisory Committee (HSAC) and in cooperation with the Council to End Homelessness in Durham (CEHD) and community agencies, the CoC works to develop and maintain a cohesive system that provides all the necessary services to transition a person from homelessness into permanent housing and self-sufficiency as quickly as possible. Since the CoC's inception in 1993, there have been renewed efforts from various agencies throughout the community to expand and enhance collaboration to improve the quality and quantity of housing and services available to people experiencing homelessness.

The Community Development Department is the Durham CoC Lead Agency, and is responsible for developing the community's collaborative application for the federal CoC Homeless Grants competition and providing staff support to the HSAC and CoC planning processes. The CoC received fourteen renewal grants and two new grants in the 2014 CoC Homeless Grants competition for a total of \$1,070,621.

The Council to End Homelessness in Durham (CEHD) continues to serve as a coalition of the CoC's housing providers and some service organizations. The group meets monthly to share information and coordinate strategy implementation.

Under the leadership of the HSAC, the Durham CoC has been holding semiannual meetings of the entire CoC since 2014. The Durham CoC adopted a new Governance Charter at its meeting on June 24, 2015.

The Michigan Coalition Against Homelessness (MCAH) became the lead agency to administer Durham's Homeless Management Information System (HMIS) on May 1, 2015, succeeding the Carolina Homeless Information Network of the North Carolina Housing

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Coalition. MCAH also is the HMIS Lead Agency for the other eleven CoCs in North Carolina.

The Durham CoC has been able to provide data from its HMIS to the federal Annual Homeless Assessment Report (AHAR) for the last five years. The AHAR data showed that HMIS participating providers sheltered 1395 unduplicated people in the federal fiscal year ending September 30, 2014 and housed 280 people in permanent supportive housing. The AHAR data allowed the CoC to estimate that approximately 2,750 people use Durham's emergency shelter and transitional housing programs for homeless people annually. This estimate was down from 3,300 for the previous year.

The supply of permanent supportive housing (PSH) has increased significantly in recent years to 374 beds. Durham now has 204 CoC-funded PSH beds. The addition of 92 HUD-Veterans Affairs Supportive Housing (VASH) vouchers for homeless veterans and their families has added over 125 beds to our community's PSH. Veterans and their families also can access homeless prevention and rapid rehousing assistance through a Supportive Services for Veteran Families (SSVF) project being implemented by Volunteers of America.

The annual one-night Point in Time Count of Durham's homeless people in January 2015 counted 813 people, an increase from the official HUD count of 811 for 2014. However, the one-night count of unsheltered homeless people declined to 44, representing a 35% decrease from a high of 68 persons counted in 2010 and a 17% decline from 53 in 2013.

The Durham County Department of Social Services (DSS) continues to provide coordinated assessment services for families experiencing housing crises. A primary benefit of this system is that households can easily access the mainstream benefits and services available at DSS. Coordinated assessment for single adults who are homeless continues at Durham's primary publicly funded emergency shelter for single adults at Urban Ministries of Durham. Urban Ministries of Durham also is preparing to initiate a homeless diversion pilot for families in the autumn of 2015.

The Vulnerability Index-Service Prioritization Decision Assistance Tool (VI-SPDAT) has been used since October 2014 to develop a community-wide list of people to be prioritized for permanent supportive housing openings.

Rapid rehousing activities continue to be funded through a combination of private funds, local government funds of the City of Durham, and federal Emergency Solutions Grant (ESG) and SSVF funds. Three rapid rehousing projects provided housing assistance and services to end the homelessness of 270 households, comprising 493 persons, during the fiscal year.

A medical respite pilot coordinated through Local Access to Coordinated Healthcare (LATCH) serves people without homes who are being discharged from the hospital but need convalescent care. LATCH is a community partnership that aims to improve health knowledge and self-care, access to health care and health services utilization outcomes among Durham County's uninsured people. The medical respite pilot served thirteen people in the nine month period ending 3/31/2015. The average length of stay in respite

care was eight weeks. Several people moved to transitional housing or permanent housing after the respite care ended.

Actions to Prevent Homelessness

In addition to repairing homes, ongoing efforts to prevent homelessness include the City's support of Genesis Home, Housing for New Hope, Durham Interfaith Hospitality Network, and Urban Ministries of Durham.

Actions to Address Emergency Shelter Needs

In FY 2014-2015, the City allocated a total of \$136,306.00 in Emergency Solutions Grant funds and \$135,000.00 in Community Development Block Grant funds to the following agencies to address the needs of homeless.

| Agency Name | Funding Source | Award |
|---------------------------------------|-----------------------|---------------------|
| Urban Ministries of Durham | CDBG | \$80,000.00 |
| Durham Interfaith Hospitality Network | CDBG | \$40,000.00 |
| Genesis Home | CDBG | \$15,000.00 |
| Total | | \$135,000.00 |
| Housing for New Hope | ESG | \$79,554.00 |
| Genesis Home | ESG | \$21,362.00 |
| Durham Interfaith Hospitality Network | ESG | \$20,361.00 |
| Durham Crisis Response Center | ESG | \$15,029.00 |
| Total | | \$136,306.00 |

SECTION VII. ACTIONS AND ACCOMPLISHMENTS

Meet Underserved Needs

During FY 2014-2015, the City of Durham continued to seek ways to leverage its entitlement funds to better serve extremely low- and low-income residents. These efforts included providing mortgage assistance to first-time homebuyers. Additionally, the City of Durham allocated CDBG funds for public services and ESG funds to meet the underserved needs of its citizens.

Foster and Maintain Affordable Housing

The DCD continued to work with its CHDOs, other non-profit organizations, and private developers to provide affordable housing. HUD requires the City to reserve at least 15% of its HOME allocation strictly for investment in housing to be developed, sponsored, or owned by CHDOs.

One of the City's CHDOs, Durham Community Land Trustees, Inc. is currently

renovating nine rental housing units located on Piedmont Avenue in the Southside neighborhood. A total of \$447,806 in HOME funds has been expended on the project. The project is expected to be completed by December 30, 2015.

Eliminate Barriers to Affordable Housing

The City of Durham Human Relations Division of the Neighborhood Improvement Services Department enforces the City of Durham's Fair Housing Ordinance and the Federal Fair Housing Act. The Division accepts complaints from persons alleging that they have been discriminated against in the areas of housing based on the following protected categories: race, religion, color, sex, national origin, disability and familial status. Employment complaints are mediated and referred to the Equal Employment Opportunity Commission (EEOC) if resolution is not obtained.

Three criteria must be met in order for a complaint to be jurisdictional: (1) the Respondent must be located within the City limits; (2) the alleged discriminatory act must have occurred within the past year; and (3) the alleged discriminatory act must be based on one of the aforementioned protected classes.

The investigation begins with the complaint and a "Request for Information" served to the Respondent. The Respondent is given the opportunity to resolve the case at the outset or any time during the investigation by entering into a contractual conciliated agreement. An extensive investigation occurs when a conciliated agreement is not entered into during the outset. The assigned compliance specialist analyzes all data obtained during the investigative process and makes a recommendation to the Human Relations Manager detailing whether there has been a violation of the housing ordinance.

The Human Relations Manager may dismiss the case with a finding of 'no reasonable cause' if the evidence does not support that the Respondent participated in discriminatory practice, thereby violating the City's Fair Housing Ordinance. The Complainant may appeal the 'no reasonable cause' decision within 30 days. The Complainant also has the option of requesting the case to be heard by a panel of Commission members.

Fill Gaps in Local Institutional Structure

The City of Durham continued to seek ways to expand services provided through the coordination of resources with various agencies. The DCD undertook initiatives during FY 2014-2015 to fill institutional gaps and/or to foster institutional coordination. In this reporting period the City of Durham moved to support a collaboration of Durham County and the Durham Public Schools through an investment of HOME funds in a substantial rehabilitation and mixed-use project at the Whitted School in Southside. The historically significant former high school has been vacant for a number of years, and is slated for reconstruction during FY 2015-2016. The project will result in 79 units of elderly housing and 11 first pre-kindergarten classrooms. The project received low Income Housing Tax Credits in 2014, and the City of Durham filled a \$600,000 financing gap created by the loss of state historic tax credits.

Facilitate Public Housing Agency Participation/Role

In an effort to facilitate participation between the DCD and the Durham Housing Authority (DHA), the following activities took place during the 2014-2015 fiscal year:

- City of Durham staff from several departments (Community Development, Workforce and Economic Development, Public Works, Parks & Recreation, Planning, Neighborhood Improvement Services, Police) were active participants along with DHA staff and other community partners in the development of the Choice Neighborhood Initiative and Transformation Plan presented by DHA staff to the DHA Board of Commissioners August 24, 2015.
- In February 2015, the Durham Housing Authority (DHA) Board of Commissioners and Mayor Bell and the Durham City Council held a joint meeting to discuss DHA's priorities, challenges, strategies and future needs.
- The Durham City Council unanimously approved to a grant contract with the Durham Housing Authority in the amount of \$500,000.00 for the purpose of satisfying DHA's liquidity requirements for existing and future affordable housing financial transactions.
- The City of Durham wrote a support letter to the U.S. Housing and Urban Development (HUD) in support of DHA's Central Neighborhood project in northeast central Durham.
- The Durham City Council unanimously approved a resolution providing approval, for purposes of Section 147(F) of the Internal Revenue Code only, of a multifamily housing facility known as Morreene Road Apartments in the City of Durham and the financing thereof by the Housing Authority of the City of Durham of Multifamily Housing Bonds in an aggregate amount not to exceed \$10,000,000.00.

Reduce Lead-Based Paint Hazards

The City continues its efforts to raise awareness of Lead-Based Paint (LBP) hazards, particularly for those homeowners who are low-income. LBP brochures in English and Spanish are provided to Urgent Repair applicants during the application process. If children under age seven and living in a home where a visual assessment reveals signs of LBP, Lead testing is added to the repair specifications to assess and reduce the hazard. In recent years the City has focused its efforts on educating citizens on Lead-safe practices, including damp wiping contaminated floors and surfaces instead of vacuuming, as well as proper ways to minimize Lead dust and paint chips.

Reduce Poverty

The Earned Income Tax Credit (EITC) program provides a financial boost to families by reducing their tax burden and granting a tax credit when they file their annual income tax return. The EITC is a refundable credit that is available to certain individuals and families with children who are low and-moderate earners have at least one minor child. In certain cases, a taxpayer with low earned income and no children may also be eligible for an

EITC. The City partners with non-profits Reinvestment Partners and the Durham Regional Financial Center for both homeownership education and financial literacy education including Reinvestment Partners' Volunteers Income Tax Assistance (VITA) center.

Ensure Compliance with Program and Planning Requirements (monitoring of CHDOs/Subrecipient Compliance)

As a recipient and custodian of federal funds, the DCD is responsible for ensuring compliance with all applicable federal laws and regulations. To achieve accountability, the federal funds are subject to an internal monitoring process. The purpose of the monitoring process is to:

1. Ensure that statutory and regulatory requirements are being met;
2. Ensure that financial record keeping and reporting is accurate and complete; and
3. Ensure that programs are being implemented consistent with the Annual Action Plan, and in accordance with their executed contract.

The application process for FY 2014-2015 began on December, 2014. The DCD conducted a start-up workshop for organizations interested in applying for federal and the City of Durham Dedicated Housing Funds (DHF). The purpose of the workshop was to explain the application process and review the contract execution and completion process. Federal regulations and documentation requirements were explained to attendees. Throughout the contract period, the DCD conducted on-site monitoring visits with at least one visit being dedicated to project file review.

SECTION VIII. LEVERAGING OF PUBLIC AND PRIVATE FUNDS

To maximize the impact of federal dollars received by the City, all non-profit applicants seeking CDBG, HOME or ESG funds from the City were required to commit some level of leveraged funds to a given project or program as follows:

- Public Service/Non-Construction Projects: \$1 for \$1 match.
- Housing Construction: \$2 for each \$1 in HOME or CDBG requested.
- ESG: \$1 for \$1 match.
- City of Durham funds, whether federal, DHF or bond program income, are intended to provide 'gap' financing.
- City financing is available in the form of repayable, interest-bearing loans to ensure maximum long-term funding.

Public Investment

Applicants seeking the City's assistance in developing affordable housing were required to demonstrate efforts to obtain funding commitments from other available public funding sources, including the North Carolina Housing Finance Agency (NCHFA) and

the HUD Supportive Housing Program (SHP). Tax credit applicants seeking funding from the City were required to submit copies of the application submitted to NCHFA. This requirement has two purposes: 1) to ensure that the maximum in Rental Production Funds were being requested from NCHFA and 2) to ensure that the tax credit equity calculation in the application submitted to the City was not being understated.

Applicants interested in producing special needs housing were required to submit documentation that demonstrated consistency with NCHFA and HUD's SHP funding applications. This requirement ensured that all funding sources were being fully leveraged, and it also allowed better coordination among the funding entities.

SECTION IX. SUMMARY OF CITIZEN COMMENTS AND PARTICIPATION ACTIVITIES

To encourage public input, the CAPER will be made available for public review and comment from September 9, 2015 through September 23, 2015. Any citizen who wishes to comment on the information in the CAPER may submit their written comments to the Department of Community Development, 807 E. Main Street, Bldg. 2, Suite 200, Durham, NC 27701 or Email: Wilmur.Conyers@durhamnc.gov. A summary of comments received during the comment period will be added to the final report.

Citizen Participation Activities

Between July 1, 2014 and June 30, 2015, the City of Durham conducted the following citizen participation activities:

- **October 6, 2014:** City Public Hearing on Community Development "Needs" on the Five Year Consolidated Plan.
- **December 5, 2014:** FY 2015-2016 application for funding was released to the Public and the DCD conducted a workshop to review the application process with interested parties.
- **February 23, 2015:** Presentation of FY 2015-2016 funding recommendations to Citizens Advisory Committee (CAC).
- **March 25, 2015:** Presentation of FY 2015-2016 funding recommendations to Homeless Services Advisory Committee (HSAC).
- **April 20, 2015:** City Public Hearing and adoption of the 2015-2020 Consolidated Plan, FY 2015-2016 Annual Action Plan, and the 2015-2020 Analysis of Impediments to Fair Housing Choice (AI). As part of the development of the Consolidated Plan and AI, the City of Durham used both paper and on-line survey instruments in English and Spanish to seek resident input on community needs. A total of 202 residents participate in the survey as well as those who attended public hearings.

DCD's on-going community outreach efforts include the following monthly meetings:

- DCD staff participates in regular CAC meetings. The CAC's primary function is to provide input and guidance on the City's programming.
- DCD staff participates in the monthly meetings of the Council to End Homelessness in Durham (CEHD).
- DCD staff provides information on the City's First Time Homebuyer Programs to all new employees participating in the City's New Employee trainings.
- Two DCD staff serve on committees of the Mayor's Anti-Poverty initiative. The City of Durham maintained a Southside Outreach Coordinator through FY 2014 – 2015 as a liaison with residents in the Southside Neighborhood Revitalization Strategy Area.

SECTION X. RELATIONSHIP OF EXPENDITURES TO PRIORITY NEEDS

The following two priority needs were identified during the development of the Five-Year Consolidated Plan:

1. Neighborhood Stabilization and Revitalization;
2. Special Needs Housing;

During FY 2014-2015, the City of Durham expended CDBG funds on the following activities as they related to the priority needs identified:

| ORGANIZATION | ACTIVITY | PRIORITY NEED ADDRESSED |
|-----------------------------------|----------------------------|---|
| Urban Ministries of Durham | Community Kitchen/Shelter | Special Needs Housing |
| Neighborhood Improvement Services | Code Enforcement | Neighborhood Stabilization and Revitalization |
| DCD | Urgent Repairs | Neighborhood Stabilization and Revitalization |
| DCD | Homeownership Program | Neighborhood Stabilization and Revitalization |
| DCD | Substantial Rehabilitation | Neighborhood Stabilization and Revitalization |

SECTION XI. LOW/MODERATE-INCOME BENEFIT

The majority of activities undertaken by the DCD during FY 2014-2015 were designed to benefit low- to moderate-income individuals or households.

SECTION XII. AMENDMENTS AND OTHER CHANGES TO PROGRAMS

No amendments or changes to programs took place during FY 2014-2015.

COMPLETION OF PLANNED ACTIONS

Pursue All Resources Identified in Plan

Low Income Housing Tax Credits (LIHTCs) were secured for Phase I of The Lofts, the mixed-income (affordable and market-rate) rental housing, and were expended to complete the construction of the first rental project in the NRSA. Site preparation and infrastructure improvements for the Phase I homeownership project at The Bungalows were completed while the first new homes were being constructed and sold. Six previously vacant and boarded-up single family homes were substantially completed on Piedmont Street in the NRSA by CHDO partner, Durham Community Land Trustees, Inc. for seven permanently affordable rental units for below 50% AMI households. One building in the NRSA was demolished.

Certify Consistency for Local Applicants for HUD Funds

All local applications for HUD funding were reviewed for consistency with the City's Consolidated Plan prior to submission. The DCD staff completed a "Certification of Consistency with the Consolidated Plan," for the Durham Housing Authority.

Support Consolidated Plan Goals

During FY 2014-2015, the DCD promoted the goals and priorities identified in the HUD-approved Consolidated Plan. The City supported relative resources and reviewed Certifications of Consistency when requested to do so by applicants for HUD programs.

SECTION XIII. NATIONAL OBJECTIVES

All CDBG activities funded during FY 2014-2015 met the following national objectives:

1. Benefit low- and moderate-income persons, and
2. Aid in the prevention or elimination of slums or blight.

SECTION XIV. ACTIONS TAKEN TO AVOID DISPLACEMENT & COMPLIANCE WITH THE UNIFORM RELOCATION ACT (URA)

The City of Durham discourages the permanent displacement of individuals or families from their homes or businesses as a result of activities paid for with federal funds as described in the Uniform Relocation Assistance and Real Property Acquisition Policies Act

of 1970 (URA). If permanent displacement or temporary relocation is unavoidable; individuals, families, or businesses affected will be relocated in conformance with URA.

Temporary Relocation

Individuals who occupy houses needing to be rehabilitated and/or needing to have Lead-Based Paint hazards reduced using CDBG or HOME funds, are provided temporary relocation at no cost to the homeowner. Relocations due to Lead hazard reduction activity typically do not exceed five days while rehabilitation relocations typically do not exceed four weeks.

This process is conducted in accordance with all applicable requirements. The City is also in compliance with one-for-one replacement requirements.

SECTION XV. ECONOMIC DEVELOPMENT and PROVISION OF JOBS

The activities below describe some of the many accomplishments by the City's Office of Economic and Workforce Development during FY 2014-2015.

- Collaborated with Downtown Durham, Inc. and Liberty Arts, Inc. on two public art donations under the Durham Public Art Program. This program adds cultural amenities to downtown in support of economic development and visitation.
- Approved extension of the Bull City Sculpture Show through May 2015. This continues the exhibition of 13 sculptures in public areas of downtown for an additional 6 months.
- Negotiated and implemented economic development incentive agreements, Durham Workforce Plans and Durham-Based Business Plans for the development of three transformative downtown hotel projects that will create over 250 permanent jobs, over \$10 million in contracting opportunities, add property, sales and occupancy tax revenues, and significantly enhance the ability of the City to host conferences and events adding to the tax base:
 - The 125 room 21c Museum Hotel project has a minimum required capital investment of \$33.6 million. Anticipated multi-year economic incentive from the City of Durham is slightly over \$5.7 million.
 - The 143 room Concord Hospitality Residence Inn project has a minimum required investment of \$22 million. Anticipated multi-year economic incentive from the City of Durham is slated to be slightly over \$1.3 million.
 - The 54 room Hotel Durham project has a capital investment of approximately \$10 million. Anticipated multi-year economic incentive from the City of Durham is \$605,000.
- Facilitated the Ninth Street streetscape project with the Public Works and Transportation Departments. The venture is a public/private partnership between the City of Durham and CPGPI Regency Erwin, LLC. The scope of the project was the re-construction of approximately 1,200 linear feet of sidewalks and streetscape amenities to enhance the visual appeal of the Ninth Street business corridor. The project was valued at \$625,000.
- Received and evaluated 10 applications for Downtown Retail and Professional Services Grants in FY15. If awarded, grants will be completed in FY16. Grants awarded will support downtown retail growth.
- Awarded \$70,932 to 13 businesses in the Ninth Street Commercial Corridor for signs and facades. Anticipated completion by the end of FY15. Grants awarded will support the existing Ninth Street small retail business retention and expansion.

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- Facilitated the Angier/Driver streetscape project with the Public Works Department to provide new pavement, curb and gutter, sidewalks, landscaping, underground and overhead utilities, and street lights. The project extends from the intersection of Angier Avenue and Driver Street east along Angier Avenue to Briggs Avenue, and includes Driver Street north to Ashe Street. The project was awarded \$3,980,065. The improvements will increase the business growth and expansion potential in a key neighborhood economic development corridor.
- Facilitated the West Chapel Hill Street streetscape project with the Public Works Department. The venture is a public/private partnership between the City of Durham and Self-Help Ventures. The streetscape enhancements consisted of curb, gutter and sidewalks extending beyond the Kent Corner Project, east along Chapel Hill Street to Carroll Street and south along Kent Street to Jackson Street. The project was awarded \$220,000. The improvements will increase the business growth and expansion potential in a key neighborhood economic development corridor and contemplate the commercial development project that is underway at the corner of West Chapel Hill and Kent Streets.
- Approved Retail and Professional Services Grants in the Targeted Community Development Area to renovate 1230 Avondale Drive to accommodate five businesses. The total project value exceeds \$400,000 with the City contributing \$75,000. The grants will activate a formerly vacant building to add athletic training facilities and food services with a youth education component.
- Initiated an economic development incentive agreement with A&J Capital Corporation for a \$525,000 building renovation project at 406 S. Driver Street. The project is located in a targeted commercial corridor in Northeast Central Durham. Upon completion, the project will stimulate business development and provide new housing opportunities in Northeast Central Durham.
- Awarded a three year Environmental Protection Agency Brownfield Assessment Grant in the amount of \$399,999. The grant serves as an additional economic development financing tool to support transformative redevelopment projects in Northeast Central Durham and other targeted areas of the City during FY15 through FY17. Anticipate completion of up to 5 Brownfield Assessments in FY15.
- The Durham Career Centers were certified in February 2015 as NCWorks Career Centers by the State of North Carolina Department of Commerce, Division of Workforce Solutions. This certification means that the Durham NCWorks Career Centers have been deemed by the State to meet and/or exceed standards of quality in areas such as Center Workflow and the Product Box, as well as implementation of the following:
 - A customer flow process to better serve jobseekers;
 - Comprehensive employment case management and counseling were provided to 52 former offenders for the first six months of FY15 placing 86% of participants in employment or training.
 - Forty-two companies participated in Employer Fridays and other direct recruitment events held at the Durham NCWorks Career Centers in 2014. There were 64 recruitment events held with 212 placements and an average hourly wage of \$11.23. There was a range of participating employers hiring customer service operators, certified nursing assistants, warehouse workers, sales associates, etc. Examples of participating companies included, but were not limited to, the following: MS Designs Embroidery, Integral Resources Inc., Royal Threads, First Stop Auto, Durham Co-op Market, All Team Staffing, Bojangles, Volt Workforce Solutions, Ashley Stewart, Cardinal Health, Wisdom Healthcare, 21c Museum Hotel, B and C Care System, and Premier Employee Solutions.
 - The Durham NCWorks Career Centers partnered with various agencies to present holistic services each month to jobseekers through the Workforce Development Networking Opportunity (WDNO) and Open Innovation Towards Employment (OITE) programs.
 - A monthly **Communique** newsletter that provides information to jobseekers, community partners, and businesses was distributed.

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- The Durham NCWorks Career Centers cross-trained staff to provide ISD mandated services.
- NCWorks system partners participated actively during the statewide 1,000 in 100 business visitation initiative issued by the Governor as a means for local workforce areas to engage businesses on issues concerning the development, recruitment, and retention of talent for NC businesses. The initiative required a minimum of 10 businesses to be visited within each of the 100 NC counties. NCWorks system partners in Durham exceeded the benchmark by meeting with 11 businesses between September and December 2014. Data gathered during the visits was entered into a State survey from which the State will aggregate the responses.
- The DWDB and OEWD provided services to 134 WIA youth for the first six months of FY15 through the Durham Youth Employed and Succeeding (YES) program. Youth participants in the program met state goals for placement in employment/education, attaining a degree/certificate, and gains in numeracy and literacy measures. An additional 96 youth were placed in paid internships.
- The DYIP employed 474 youth throughout the summer and fall of 2014, as well as the winter of 2015 with youth working at the City of Durham, Durham County, NCCU, Favor Desserts Bakery and Coffee Shop, Duke University, Duke Health System, Mike's Transmission, Kimley-Horn, and Blue Cross Blue Shield. All DYIP youth attended a week-long pre-employment training including soft skills and financial literacy training.
- A \$24,000 project was authorized by the Urban Research CDE, LLC/Longfellow funds as a part of the DYIP. Beginning in January 2015, and for the next 2 1/2 years, the DYIP Longfellow Grant is providing books and supplies for 25 juniors and seniors participating in the Science, Technology, Engineering, Arts, and Mathematics (STEAM) courses in the Career and College Promise Programs at Hillside New Tech and Southern high schools. Career and College Promise is a DPS and DTCC strategy that pays the tuition of the students while they are still in high school and puts them on the path to pursue an associate's degree or to participate in a university transfer program. The coursework will also be coupled with internships that will enhance the chances for educational success and employability.
- OEWD implemented a new initiative by onboarding a Senior Employment Program Coordinator for Business Outreach and Career Exploration for Youth. This position has begun developing and will lead a Business Engagement Team in collaboration with system partners including MID, the DPS Career and Technical Education (CTE) Department, and DTCC that will more extensively seek and obtain greater private-sector support for youth work experience placements. The team's emphasis will be outreach to businesses in the STEAM fields.
- The third EPA job training grant program (\$199,998) is nearing completion. This grant has provided environmental technology training for 78 individuals and has resulted in a 64% placement of program graduates in environmental technology jobs and other related fields. OEWD seeks to reach a program placement goal of 65% by the Spring of 2015.
- The fourth EPA job training grant program (\$200,000 for 2015-17) is beginning training for an additional 80 residents in environmental technology and other related fields.
- In partnership with NCIMED, OEWD completed a grant program (\$161,000) that graduated 46 individuals with 32 placed in full-time employment in telecommunications, energy, and truck driving occupations.
- The outcomes of the Environmental Workforce Development Job Training program and the successful broadband, telecommunications, and energy pilot program were featured in "City Life" (<http://youtu.be/zd684i417eQ>). The training programs and partnerships create career pathways for the unemployed or underemployed into fields where the jobs are in demand.
- The Durham NCWorks Career Centers integrated and onboarded a new Adult WIA service provider, Educational Data Services, Inc. (EDSI), for the purpose of expanding training and placement services for Durham's underemployed and unemployed populations. EDSI, within the NCWorks Career Centers, provided nineteen (19) OJT opportunities for Durham clients with an average wage of \$33,044 and a total NCWorks investment of \$159,661 from July 1,

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2014 to June 30, 2015. Over \$627,000 in private sector salary investment was leveraged with these grants.

- The NCWorks partnership, including OEWD and Durham Tech, received grants of over \$500,000 for the JDNEG from the North Carolina Department of Commerce to implement ongoing on-the-job (OJT) and classroom training opportunities for dislocated workers in high-growth industries. OJT subsidies will support placements within pharmaceutical, manufacturing, energy, healthcare, and other entry- to mid-level professional positions with an average starting wage of \$16.15 per hour.

SECTION XVI. LIMITED CLIENTELE ACTIVITIES

The Nature of the Group That Allows Assumption of More than 51% Low/Mod Benefit

During FY 2014-2015, the DCD awarded funding to the below sub-recipients that served individuals who HUD classifies as a "limited clientele."

| Subrecipient | Allocation |
|---------------------------------------|---------------------|
| Urban Ministries of Durham | \$80,000.00 |
| Durham Interfaith Hospitality Network | \$40,000.00 |
| Genesis Home | \$15,000.00 |
| Total | \$135,000.00 |

SECTION XVII. NEIGHBORHOOD REVITALIZATION STRATEGY AREA (NRSA)

During FY 2011-2012, the City applied for and received an NRSA designation for the Southside Community. Revitalization strategies are intended to build local partnerships and stimulate investment in low-income neighborhoods. Communities with approved NRSAs are offered enhanced flexibility in undertaking economic development, housing, and public service activities with their CDBG funds. Communities are required to report annually on their progress in achieving their benchmarks at the end of each program year.

Progress Against Established Benchmarks

Through June 30, 2015:

- Seven substantial homeowner rehabilitations completed.
- Two replacement homes completed for homeowners whose existing units were not feasible to rehabilitate.
- Site preparation and infrastructure improvements associated with homeownership development 100% completed. Site plan preparation for Phase II of the ownership project was underway.
- Twenty four new homeownership units completed and sold, and 13 are under construction.
- Down payment assistance provided to 8 LMI households.
- A total of 20 new hires associated with construction activities on the first phase of mixed income rental development with five of those being Section 3 hires.
- SDBE goals for the multi-family rental development were exceeded with minority

- participation at 30% and women owned participation at 11%.
- Approximately 600 persons employed in construction or construction related (design) activities.
 - 132 mixed-income rental units completed with 98% units leased up.
 - Contract executed and completed for a marketing brochure depicting all development components of the Southside project, with electronic and printed copies widely distributed to interested parties.
 - A surge in private sector activity in the NRSA validated the City of Durham's investment of Section 108 loan funds and federal entitlement funding in Southside. Previously vacant lots and deteriorated housing was being acquired by private developers, with high-quality renovations of single-family houses being completed and sold at full market price points.
 - A Home Owners Association developed through the City of Durham for new Southside owners and handed-off to the new owners to manage.
 - The Southside NRSA was recognized nationally for its overall excellence and success by winning the Audrey Nelson Award from the National Community Development Association.

SECTION XVIII. SUMMARY OF FY 2014-2015 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDED PROJECTS

PUBLIC SERVICE

Activity:

Funding Source: CDBG

IDIS Activity Number: 2020

Matrix Code: 05

Allocations: \$80,000.00

Expended FY 2014-2015: \$80,000.00

Responsible Entity: Urban Ministries of Durham, Inc. (UMD)

Activity Location: 412 Liberty Street

Area Served: City-wide

National Objective: Low/moderate clientele

Goal: To provide meals to Community Shelter residents.

Activity Description: Urban Ministries of Durham, Inc. assists individuals in need of emergency shelter, food, clothing, and permanent housing. The organization's Community Kitchen provides three nutritious meals daily to their Community Shelter residents and others in need. The above allocation assisted in providing meals to the Community Shelter residents.

Accomplishments: Under this contract, a total of 27,119 meals were provided to Community Shelter residents.

PUBLIC SERVICE

Activity: Community Café Meals
Funding Source: CDBG
IDIS Activity Number: 1991
Matrix Code: 05
Allocation: \$63,630.00
Expended FY 2014-2015: \$4,254.00
Responsible Entity: Urban Ministries of Durham, Inc. (UMD)
Activity Location: 410 Liberty Street, Durham, 27701
Area Served: City-wide
National Objective: Low/moderate limited clientele
Goal: To provide shelter residents with daily meals.

Activity Description: Urban Ministries of Durham, Inc. owns and manages a 250+ bed shelter, and an adjacent “Community Café” from which they cook and serve three meals a day, 365 days a year. This grant reimbursed UMD for their out of pocket expenses for meals, at a rate of \$2.00 per meal, for two meals per day for each CHIN-documented shelter stay.

Accomplishments: In FY 13-14 this grant reimbursed the shelter for 29,688 meals which accounted for 94% of their obligations. An additional 2,127 meals were served in FY 14-15 to complete the contract.

PUBLIC SERVICE

Activity: Rental Assistance
Funding Source: CDBG
IDIS Activity Number: 1916
Matrix Code: 05
Allocation: \$74,000.00
Expended FY 2014-2015: \$25,120.55
Responsible Entity: Durham County-Department of Social Services (DSS)
Activity Location: 220 E. Main Street
Area Served: City-wide
National Objective: Low/moderate limited clientele
Goal: To provide rental assistant payments to 35 at-risk households on the verge of eviction.

Activity Description: Funding provided to assist households who are considered at-risk of losing permanent housing due to economic conditions.

Accomplishments: During FY 2014-2015, DSS assisted 17 households who were on the verge of eviction. At contract completion, a total of 48 households were assisted.

PUBLIC SERVICE

Activity: Homeless Family Shelter Case Management
Funding Source: CDBG
IDIS Activity Number: 1992
Matrix Code: 05
Allocation: \$28,342.00
Expended FY 2014-2015: \$10,342.00
Responsible Entity: Durham Interfaith Hospitality Network
Entity Location: 1216 North Roxboro Street
Area Served: City-wide
National Objective: Low/moderate limited clientele
Goal: Provide case management services to homeless families.

Activity Description: Durham Interfaith Hospitality Network serves homeless families with children in collaboration with a network of over 30 churches in the Durham metro area, and provides case management services that assist the family with tasks such as job searches and school registration. This grant reimburses DIHN \$2,000 for each family that was assisted.

Accomplishments: Nine families were assisted in FY 13-14. An additional six families were assisted in FY 14-15 to complete the grant obligations.

PUBLIC SERVICE

Activity: Case Management
Funding Source: CDBG
IDIS Activity Number: 2021
Matrix Code: 05
Allocation: \$40,000.00
Expended FY 2014-2015: \$18,000.00
Responsible Entity: Durham Interfaith Hospitality Network
Entity Location: 1216 North Roxboro Street
Area Served: City-wide
National Objective: Low/moderate limited clientele
Goal: To provide case management services to homeless families.

Activity Description: Provide ongoing comprehensive case management services to homeless families at a reimbursement rate of \$2,000 per family, including assessing client needs, developing a service plan, ensure that services are provided through referrals and follow-up, and monitoring the effectiveness of the services provided. Services included finding child care, assistance with job searches, enrolling in mainstream financial support systems such as SSDI, and finding appropriate mental and physical healthcare.

Accomplishments: 11 families were assisted during FY 14-15, all of whom have moved into permanent housing with stable incomes as a result of the work done under this contract.

PUBLIC SERVICE

Activity: Public Services
Funding Source: CDBG
IDIS Activity Number: 2022
Matrix Code: 05
Allocation: \$15,000.00
Expended FY 2014-2015: \$3,718.20
Responsible Entity: Genesis Home, Inc.
Entity Location: 300. N. Queen Street
Area Served: City-wide
National Objective: Low/moderate limited clientele
Goal: To provide case management services to at least six households and limited financial assistance to a maximum of six households.

Activity Description: Funding provides assistance to households with transitioning from homelessness to permanent housing.

Accomplishments: Genesis Home assisted four unduplicated households with children who were transitioning from homelessness to permanent housing.

HOMEBUYER MORTGAGE ASSISTANCE

Activity: Homebuyer Mortgage Assistance
Funding Source: CDBG
IDIS Activity Number: 2025
Matrix Code: 13
Allocation: \$180,000.00
Expended FY 2014-2015: \$111,999.36
Responsible Entity: Habitat for Humanity of Durham, Inc.
Entity Location: 215 North Church Street
Area Served: Northeast Central Durham
National Objective: Low/moderate housing benefit
Goal: To provide mortgage assistance to first-time homebuyers.

Activity Description: Provision of 0% second mortgage financing to make ownership affordable to below 60% Area Median Income (AMI) households.

Accomplishments: Six households received mortgage assistance and moved to homeownership.

HOMEBUYER DOWNPAYMENT ASSISTANCE

| | |
|-------------------------------|---|
| Activity: | Individual Development Account (IDA) |
| Funding Source: | CDBG |
| IDIS Activity Number: | 1962 and 2059 |
| Matrix Code: | 13 |
| Allocation: | Prior fiscal years |
| Expended FY 2014-2015: | \$10,500.00 |
| Responsible Entity: | City of Durham-Department of Community Development |
| Entity Location: | 807 E. Main Street |
| Area Served: | City-wide |
| National Objective: | Low/moderate housing benefit |
| Goal: | To provide downpayment assistance to first-time homebuyers. |

Activity Description: The DCD utilizes HOME and CDBG funds to provide mortgage assistance to first-time homebuyers who meet specific income and credit guidelines.

Accomplishments: Using CDBG funds, the City assisted two household in becoming a first-time homebuyer.

NEW CONSTRUCTION

Activity: New Construction
Funding Source: CDBG
IDIS Activity Number: 2036 & 2040
Matrix Code: 03
Allocation: \$12,137.50
Expended FY 2014-2015: \$12,137.50
Responsible Entity: City of Durham-Department of Community Development
Entity: 807 E. Main Street
Area Served: Southside Community
National Objective: Low/moderate area benefit
Goal: To provide fencing for security measures.

Activity Description: Installation of approximately 900 linear fencing to provide security for the phase 1 and 2 multi-family redevelopment projects in the Southside community.

Accomplishments: Installation of fencing completed.

CODE ENFORCEMENT

Activity: Housing Code Enforcement
Funding Source: CDBG
IDIS Activity Number: 2023
Matrix Code: 15
Allocation: \$140,000.00
Expended FY 2014-2015: \$140,000.00
Responsible Entity: Department of Neighborhood Improvement Services
Entity Location: 807 E. Main Street
Area Served: Primarily low-and moderate-income census tracts
National Objective: Low/moderate area benefit
Goal: To reimburse a portion of the cost of code enforcement Activities.

Activity Description: Partial reimbursement to the Neighborhood Improvement Services Department of the cost of providing three specific types of housing code enforcement in primarily low- and moderate income census tracts: slum and blight, abandoned vehicles and weed lot, junk and debris removal.

Accomplishments: A total of 929 violations were resolved: 39 abandoned vehicles were removed, 569 weedy lots, trash and debris were cleaned up, and 321 minimum housing code issues were corrected.

DISPOSITION

Activity: Disposition
Funding Source: CDBG
IDIS Activity Numbers: 1989, 1990, 2047 & 2052
Matrix Code: 02
Allocation: Prior years funds
Expended FY 2014-2015: \$31,378.03
Responsible Entity: City of Durham- Department of Community Development
Activity Location: 807 E. Main Street
Area Served: Southside Neighborhood
National Objective: Low/moderate area benefit
Goal: To provide property maintenance.

Activity Description: Ongoing grass cutting, boarding of vacant properties and property trash clean-up of City owned properties in the Southside neighborhood, and other activities as applicable.

Accomplishments: Kept all properties properly boarded up, trash removed and grass cut on a regular basis.

HOUSING REHABILITATION/REPLACEMENT

Activity: Housing Replacement
Funding Source: CDBG
IDIS Activity Numbers: 2048
Matrix Code: 14A
Allocation: Prior years funds
Expended FY 2014-2015: \$ 118,642.00
Responsible Entity: City of Durham- Department of Community Development
Activity Location: 807 E. Main Street
Area Served: Southside Neighborhood
National Objective: Low/moderate housing benefit
Goal: To replace one home not feasible to rehabilitate.

Activity Description: Funds used to provide replacement housing for homeowners whose units are not feasible to rehabilitate. This activity serves homeowners earning 50% or below the area median income.

Accomplishments: Replaced and completed one unit not feasible to rehabilitate.

URGENT REPAIRS

Activity: Housing Repairs

Funding Source: CDBG

IDIS Activity Numbers: 2017

Matrix Code: 14A

Allocation: \$74,000.00

Expended FY 2014-2015: \$72,411.08

Responsible Entity: City of Durham- Department of Community Development

Activity Location: 807 E. Main Street

Area Served: City-wide

National Objective: Low/moderate housing benefit

Goal: To repair approximately 25 units.

Activity Description: Program serves elderly or disabled owner-occupants with incomes at or below 50% of the area median income. Improvements are limited to conditions which pose an imminent threat to health or safety of the occupants or which limit mobility.

Accomplishments: Using CDBG funds, Urgent repairs (roof replacement, electrical upgrades, plumbing lines installation, bathroom upgrades and minor structural repairs) were performed on 13 units. Additionally, 12 repairs were performed using local funds.

| No. of Units | Address | Amount |
|--------------|-----------------------|--------------------|
| 1 | 201 Allgood Street | \$8,744.42 |
| 2 | 1205 Eva Street | \$359.91 |
| 3 | 4029 Booker Street | \$1,199.70 |
| 4 | 1113 Fiske Street | \$9,786.00 |
| 5 | 1213 Sheperd Street | \$6,545.00 |
| 6 | 2810 Owen Street | \$7,161.00 |
| 7 | 9 Edgemont Lane | \$1,905.00 |
| 8 | 815 Corona Street | \$3,746.00 |
| 9 | 407 Pineland Avenue | \$8,250.00 |
| 10 | 2010 Athens Drive | \$5,418.00 |
| 11 | 111 Enterprise Street | \$7,601.00 |
| 12 | 3719 Suffolk Street | \$5,507.00 |
| 13 | 500 Uzzle Street | \$6,188.05 |
| Total | | \$72,411.08 |

PREDEVELOPMENT ACTIVITIES

Activity: Predevelopment Activities
Funding Source: CDBG
IDIS Activity Numbers: 1911, 1971, 1976, 1977, 2011 & 2036
Matrix Code: 03
Allocation: \$ Prior years allocations
Expended FY 2014-2015: \$74,209.02
Responsible Entity: McCormack Baron Salazar
Activity Location: 1 Poinciana Drive
Area Served: Southside Neighborhood
National Objective: Low/moderate-income housing benefit
Goal: To provide site and construction drawings for the second phase of development for the Lofts at Southside.

Activity Description: Funding to assist with predevelopment activities to include environmental, geotechnical testing and site design through the site plan approval process and selection of an infrastructure/general contractor for the second phase of development for the Lofts at Southside.

Accomplishments: Activities 25% complete. Initial site plan was submitted in July 2015.

PREDEVELOPMENT ACTIVITIES

| | |
|-------------------------------|---|
| Activity: | Predevelopment Activities – Southside West Phase 2 Homeownership |
| Funding Source: | CDBG |
| IDIS Activity Number: | 2061 |
| Matrix Code: | 03 |
| Allocation: | \$310,000.00 |
| Expended FY 2014-2015: | \$5,237.50 |
| Responsible Entity: | City of Durham/Stewart Engineering |
| Activity Location: | Beamon Street |
| Area Served: | Southside Community |
| National Objective: | Low/moderate limited clientele benefit. |
| Goal: | Payment of development fees associated with the pre-planning and planning of the Phase 2 homeownership efforts in Southside. |
| Activity Description: | Funding to assist with predevelopment and development activities to include payment of fees to the required entities as part of the site plan, site preparation and infrastructure, construction drawings and approval process for the development of the second phase of homeownership in Southside. |
| Accomplishments: | Activity is 10% complete. |

REPAYMENT OF SECTION 108 LOAN

Activity: Section 108 Debt Service
Funding Source: CDBG
IDIS Activity Numbers: 1972, 1973, 2027, 2064, 2063, 2065
Matrix Code: 19F
Allocation: 8,800,000.00
Expended FY 2014-2015: \$681,105.18
Responsible Entity: City of Durham-Department of Community Development
Activity Location: Southside east and west project sites
Area Served: Southside Neighborhood
National Objective: N/A
Goal: To repay Section 108 Loan according to loan terms.

Activity Description: The City applied for and received a Section 108 Loan in the amount of \$8.8 million to assist with the revitalization efforts in the Southside neighborhood. Funding provided for infrastructure and acquisition activities in the Southside project area.

Accomplishments: Paid principal and interest payments due on loan.

DEMOLITION

Activity: Demolition
Funding Source: CDBG
IDIS Activity Number: 2008
Matrix Code: 04
Allocation: Prior years funds
Expended FY 2014-2015 \$23,428.25
Responsible Entity: City of Durham- Department of Community Development
Entity Location: 807 E. Main Street
Area Served: Southside Neighborhood
National Objective: Low/moderate-income housing benefit
Goal: To demolish four dilapidated structures.

Activity Description: Funding for asbestos testing and demolition of dilapidated structures.

Accomplishments: Demolition of all structures is complete.

PROGRAM ADMINISTRATION

| | |
|-------------------------------|--|
| Activity: | Planning and Administration |
| Funding Source: | CDBG |
| IDIS Activity Number: | 1986 |
| Matrix Code: | 21A |
| Allocation: | \$393,102.00 |
| Expended FY 2014-2015: | \$393,102.00 |
| Responsible Entity: | City of Durham-Department of Community Development |
| Entity Location: | 807 E. Main Street |
| Area Served: | City-wide |
| National Objective: | N/A |
| Goal: | To successfully administer the CDBG Program. |

Activity Description: Administration of the City's CDBG program to include timely use of funds, effective programming, compliance with federal regulations, citizen participation, and coordination with other governmental and nonprofit organizations. Federal regulations allow grantees to use up to 20% of their annual allocation for eligible and reasonable planning and administrative costs.

Accomplishments: The DCD staff provided oversight and project management of CDBG activities that created affordable housing opportunities and provided public services to low-and moderate-income citizens.

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

SECTION XIX. DISTRIBUTION OF HOME FUNDS AMONG IDENTIFIED NEEDS

HUD provides HOME funds to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing with primary attention to rental housing for very low-income and low-income families. For FY 2014-2015, the City received an allocation \$831,909 in HOME funds and generated \$587,924.02 in program income. For this reporting period, the City expended \$1,000,115.04 in current and prior year grant funds. These funds were used for construction financing to develop rental and single family units. As part of the Five-Year Consolidated Planning process, the City identified the following two priority needs:

1. Neighborhood Stabilization and Revitalization;
2. Special Needs Housing;

During FY 2014-2015, the City of Durham expended HOME funds on the following activities as they related to the priority needs identified:

| SUBRECIPIENT | ACTIVITY | PRIORITY NEED ADDRESSED |
|--|--------------------------------------|---|
| Community Alternative for Supportive Abodes (CASA) | New Construction | Special Needs Housing |
| Durham Community Land Trustees (DCLT) | Rehabilitation | Neighborhood Stabilization and Revitalization |
| City of Durham/Department of Community Development | New Construction/Permanent Financing | Neighborhood Stabilization and Revitalization |

SECTION XX. HOME MATCH REPORT

The City of Durham expended a total of \$1,000,115.04 in HOME funds between July 1, 2014 and June 30, 2015. With the exception of administrative and planning costs, and CHDO-related costs, federal regulations require the City to demonstrate its commitment to the “partnership” by contributing at least 25% of its own monies into HOME-funded projects and activities. HUD refers to this contribution as “match” and federal dollars cannot be used to meet the match requirement. The City utilized 1996 Housing Bond program income to meet the FY 2014-2015 required match contribution.

SECTION XXI. CONTRACTING OPPORTUNITIES FOR M/WBES

All construction and Section 3 contracts exceeding \$100,000 must be reviewed by the City's Equal Opportunity/Equity Assurance Department (EO/EA). This Department is responsible for the implementation of the City's Small and Disadvantaged Business Enterprises Ordinance (SDBE) which includes oversight of the City's activities with Minority Business Enterprises (MBEs) and Women-Owned Business Enterprises (WBEs). These responsibilities include developing SDBE goals for specific projects, ensuring project compliance, monitoring, and reporting. EO/EA also supports the SDBE Advisory Committee.

Subrecipients shall comply with all applicable provisions of Chapter 26 of the Durham City Code (the Minority and Women-owned Business Enterprises Ordinance). Subrecipients are required to provide minorities and women equal opportunity to participate in all aspects of the subrecipient's contracting programs, including but not limited to employment, construction projects, and/or materials and services contracts consistent with the law. It shall also be the policy of the subrecipient to prohibit discrimination against any business on the basis of race, color, national origin, religion, sex, age, handicap or veteran's status.

SECTION XXII. SUMMARY OF RESULTS OF ON-SITE INSPECTIONS OF HOME RENTAL UNITS

HOME-funded rental units were monitored by the DCD for compliance with property standards as well as tenant incomes and rents. During the period of affordability, HOME regulations require on-site inspections of HOME-assisted rental units based on the number of HOME units in a project:

- 1 – 4 units: Every 3 years
- 5 – 25 units: Every 2 years
- 26 or more units: Annually

The following HOME-funded rental units were monitored between July 1, 2014 and June 30, 2015.

Durham Consortium
Draft FY 2014-2015 Consolidated Annual Performance & Evaluation Report (CAPER)

FY 14-15 HOME Rental Monitoring Schedule

| DEVELOPER | PROJECT NAME | PROJECT ADDRESS | Number of Units Total | Number of HOME Units | Number of HOME Units Monitored | Monitoring Date |
|-----------------------------------|-------------------------------|-----------------------|-----------------------|----------------------|--------------------------------|-----------------|
| Community Builders | Franklin Village | 705 E. Main St | 83 | 20 | 12 | 07/09/14 |
| McCormack Barron | SouthSide Lofts | 703 S. Roxboro St | 132 | 32 | 12 | 07/16/14 |
| Durham Community Land Trust | Estes St Duplex | 883-885 Estes St | 4 | 4 | 4 | 08/14/14 |
| Durham Community Land Trust | Carroll St | 615 & 617 Carroll St. | 2 | 2 | 2 | 08/14/14 |
| Durham Community Land Trust | West End Home Ownership - Ph4 | 1113 Proctor St | 1 | 1 | 1 | 08/14/14 |
| Woodland Associates | Rockwood Apts | 1 Rock Cottage Ct | 20 | 20 | 8 | 08/28/14 |
| Woodland Associates | Mathison Apts | Mathison & Fiske | 9 | 9 | 7 | 09/04/14 |
| TROSA | Transitional | 1511 N. Roxboro St | 2 | 2 | 2 | 09/16/14 |
| TROSA | Transitional | 1513 N. Roxboro St | 2 | 2 | 2 | 09/16/14 |
| CASA | Vesson Ct | 2420 Vesson Ct | 10 | 10 | 6 | 09/25/14 |
| CASA | Geer Street | 217 West Geer St | 7 | 7 | 7 | 10/02/14 |
| Downtown Housing Improvement Corp | Mplwd Sq | 1514 Chapel Hill Rd | 32 | 32 | 12 | 10/07/15 |
| Builders of Hope | 2 Duplexes, 3 units | 1032-34 Rosedale | 3 | 3 | 3 | 10/16/14 |
| Builders of Hope | Single Family | 1030 Rosedale Av | 1 | 1 | 1 | 10/16/14 |
| Builders of Hope | Single Family | 1109 Rosedale Ave | 1 | 1 | 1 | 10/16/14 |
| Builders of Hope | HomeOwnership - Rental | 1013 & 1015 Rock St | 2 | 2 | 2 | 10/16/14 |
| Urban Ministries of Durham | Community Shelter | 412 Liberty St | 9 | 9 | 4 | 11/12/14 |
| Volunteers of America | Maple Court | 207 Commons Blvd | 24 | 24 | 12 | 04/09/15 |
| Volunteers of America | Life House | 251 Commons Blvd | 24 | 24 | 12 | 04/16/15 |
| Housing for New Hope | Williams Square | 501 E. Carver St | 24 | 24 | 12 | 05/14/15 |
| Housing for New Hope | Andover II | 212 N. Elizabeth St | 10 | 10 | 7 | 05/14/15 |
| Housing for New Hope | Cole Mill Apartments | 1904 Cole Mill Rd | 10 | 10 | 10 | 05/28/15 |
| Total | | | 412 | 249 | 139 | |

SECTION XXIII. ASSESSMENT OF EFFECTIVENESS OF AFFIRMATIVE MARKETING PLANS

The City of Durham affirmatively furthered fair housing by providing downpayment assistance programs to low- and moderate- income persons in addition to developing affordable, single and multi-family housing units. The Durham Human Relations Division (DHRD) held regular meetings with the Hispanic/Latino community and referred persons to the City when they experienced problems with housing. The DHRD also conducted on-site fair housing workshops on request and distributed flyers, brochures and advertisements throughout the City. In addition, the Department of Community Development distributes Fair Housing brochures, including Spanish-language materials. The DCD conducted homeownership workshops and outreach activities in minority neighborhoods.

The City will continue working with local non-profit partners, developers and financial institutions to develop plans for overcoming impediments to housing.

SECTION XXIV. INFORMATION ABOUT THE USE OF PROGRAM INCOME

During FY 2014-2015, the City of Durham's CDBG program generated \$427,126.36 in program income and the HOME program generated \$587,924.02 in program income. This income was generated by first-time homebuyer loan payments, developer loan payments, and loan payoffs due to a sale. The City of Durham ensures that program income is expended before additional HOME and CDBG funds are drawn down from the U. S Treasury.

SECTION XXV. SUMMARY OF FY 2014-2015 HOME FUNDED PROJECTS

HOMEOWNERSHIP PROGRAM

Homeownership is a fundamental component in neighborhood revitalization and stabilization. Homeownership is the primary way in which low and moderate-income households can build wealth that be passed from generation to generation. The DCD administers affordable housing programs on behalf of the City of Durham. These programs include subordinate lending for residential properties including attached and detached single-family homes and condominiums. The DCD provided one-on-one housing counseling and incentives for new home purchasers in the City's two primary ownership programs: the Bungalows ownership development in the Southside NRSA, and for purchasers through Habitat for Humanity of Durham.

In FY 2014-2015, the department's Soouthside homeownership purchase assistance programs provided funding for \$20,000 second mortgage loans at 2% interest to households purchasing of their first home in the Bungalows, and provided a 0% second

mortgage for below 60% AMI buyers purchasing Habitat for Humanity houses in targeted neighborhoods in the City of Durham. Another targeted incentive program provided 0% second mortgages for below 60% AMI buyers purchasing Habitat for Humanity houses in targeted neighborhoods in the City of Durham.

The Individual Development Account (IDA) program that uses CDBG funding was winding down in FY 2014-2015. The City has been offering grant matching funds up to a 4:1 match or a maximum of \$7,500 in combined savings and matching funds if the applicant satisfies the terms and conditions of their savings plan. The last participants are expected to complete their savings for the remaining IDAs in FY 2015-2016.

In FY 2014-2015, the DCD used CDBG, HOME, and Dedicated Housing Funds to create affordable homeownership opportunities for residents within the City of Durham. Homes can be purchased in targeted neighborhoods within Durham. CDBG funds may only be used toward the purchase of homes within the city limits of Durham.

The City of Durham loans are underwritten to assure full repayment of funds utilizing program guidelines and underwriting criteria. The City staff and its originating and underwriting agent closely review all applications for compliance, eligibility, and loan approval.

All borrowers must attend a 7.5-hour homeownership education workshop. The classes completely cover the home purchase process and the following are the workshop topics:

Workshop topics covered include:

- Who's who in the home buying process
- First time home buyer assistance programs
- The role of a realtor
- Working with a lender and the pre-qualification process
- Home inspections
- Closing/settlement
- Post homeownership responsibilities

PIEDMONT RENTALS

Activity: Rehabilitation
Funding Source: HOME
IDIS Activity Number: 1980
Matrix Code: 14B
Allocation: \$447,806.00 (HOME funds) & \$678,00.00 (from local and other sources)
Expended FY 2014-2015: \$447,806.00
Responsible Entity: Durham Community Land Trustees, Inc.
Activity Location: E. Piedmont Avenue
Area Served: Southside Neighborhood
Goal: To rehabilitate nine rental housing units.

Activity Description: Funds for the renovation of nine rental housing units (six structures) located at 102, 104, 110, 112, 114 and 116 E. Piedmont Avenue.

Accomplishments: All six structures are currently under construction with a project completion date of December 31, 2015.

NEW CONSTRUCTION

Activity: Construction/Permanent Financing
Funding Source: HOME
IDIS Activity Numbers: 1982
Matrix Code: 12
Allocation: \$1,319,136.91
Expended FY 2014-2015: \$11,522.12
Responsible Entity: McCormack Baron Salazar, Inc.
Activity Location: 400 E. Lakewood Avenue
Area Served: Southside Neighborhood
National Objective: N/A
Goal: Construction of 132 units

Activity Description: Construction of 132 Multi-Family Rental units with 80 of the units being affordable to families earning 60% or below the Area Median Income.

Accomplishments: Project is complete and fully leased up.

NEW CONSTRUCTION

Activity: New construction
Funding Source: HOME
IDIS Activity Number: 2014, 2015 & 2016
Matrix Code: 12
Allocation: \$1,163,477.00
Expended FY 2014-2015: \$122,276.00
Responsible Entity: Community Alternatives for Supportive Abodes (CASA)
Activity Location: 1824 Guess Road
Area Served: City-wide
National Objective: N/A
Goal: To provide funding to assist in the construction of 12 units of affordable housing.

Activity Description: New construction of 12 units targeting formerly homeless veterans. All of the units will house persons who are homeless and have disabilities, with preference and priority given to veterans with incomes at or below 30% of the Area Median Income (AMI).

Accomplishments: Groundbreaking of units took place in July 2015.

SUBSTANTIAL REHABILITATION/REPLACEMENT

Activity: New construction

Funding Source: HOME

IDIS Activity Number: 2026

Matrix Code: 14A

Allocation: \$41,596.00

Expended FY 2014-2015: \$36,570.92

Responsible Entity: City of Durham-Department of Community Development

Entity Location: 807 E. Main Street

Area Served: Durham County

National Objective: N/A

Goal: To rehabilitate one substandard unit in Durham County.

Activity Description: Durham County pro rata share of HOME funds are used to rehabilitate houses for homeowners earning 50% or below the area median income. This program provides assistance to elderly and disabled homeowners.

Accomplishments: One home was substantially rehabilitated.

NEW CONSTRUCTION

Activity: New Construction

Funding Source: HOME

IDIS Activity Number: 2045

Matrix Code: 12

Allocation: \$205,000.00

Expended FY 2014-2015: \$117,250.00

Responsible Entity: Durham Community Land Trustees, Inc.

Activity Location: 1014 Proctor Street and 881 Estes Street

Area Served: Southwest Central Durham

National Objective: N/A

Goal: To provide funding for the construction and installation of two modular single family rental houses.

Activity Description: Construction of single family homes in a climate controlled factory; delivery and installation on a permanent foundation.

Accomplishments: Both homes were factory constructed and delivered and installed on-site.

HOMEBUYER MORTGAGE ASSISTANCE

Activity: Homebuyer Mortgage Assistance
Funding Source: HOME
IDIS Activity Number: 2041, 2042, 2043 & 2044
Matrix Code: 13
Allocation: \$160,000.00
Expended FY 2014-2015: \$160,000.00
Responsible Entity: Habitat for Humanity of Durham, Inc.
Entity Location: 807 East Main Street
Area Served: Southside Community
National Objective: Low/moderate housing benefit
Goal: To provide mortgage assistance to first-time homebuyers.

Activity Description: Provision of 0% second mortgage financing to make ownership affordable to below 60% Area Median Income (AMI) households.

Accomplishments: Four households received mortgage assistance and moved to homeownership.

PROGRAM ADMINISTRATION

| | |
|-------------------------------|---|
| Activity: | Planning and Administration |
| Funding Source: | HOME |
| IDIS Activity Number: | 2032 |
| Matrix Code: | 21A |
| Allocation: | \$104,690.00 |
| Expended FY 2014-2015: | \$104,690.00 |
| Responsible Entity: | City of Durham- Department of Community Development |
| Activity Location: | 807 E. Main Street |
| Area Served: | City-wide |
| National Objective: | N/A |
| Goal: | To successfully administer the HOME Program. |

Activity Description: Federal regulations allow grantees to use up to 10% of each year's HOME allocation for reasonable administrative and planning costs. The DCD staff ensures timely use of HOME funds, provides quality and effective programming, ensures compliance with federal regulations, involves citizen participation, and co-ordinates with other governmental and nonprofit partners to produce affordable housing.

Accomplishments: The DCD staff provided oversight and project management of HOME activities that created affordable housing opportunities for low-and moderate -income citizens.

EMERGENCY SOLUTIONS GRANT PROGRAM (ESG)

SECTION XXVI. DESCRIPTION OF HOW ACTIVITIES RELATE TO CONSOLIDATED PLAN AND CONTINUUM OF CARE

The ESG program is designed as the first step in a continuum of assistance to prevent homelessness and to enable the homeless population to move toward independent living. The Continuum of Care model is based on the understanding that homelessness is not caused by simply a lack of shelter, but involves a variety of underlying needs. Durham believes that the best approach for alleviating homelessness is through a community-based process that provides a comprehensive response to the diverse needs of homeless individuals. The fundamental components of a Continuum of Care system are:

- Outreach and assessment to identify a homeless person's needs;
- Immediate (emergency) shelter as a safe and decent alternative to the streets;
- Transitional housing with appropriate supportive services to help people reach independent living; and
- Permanent housing or permanent supportive housing for the disabled homeless. Shelters and other service providers may use ESG funding for the following categories of eligible activities:
 1. **Street Outreach** (24 CFR 576.101) includes essential services necessary to reach out to homeless individuals.
 2. **Emergency Shelter** (24 CFR 576.102) includes essential services to homeless individuals in emergency shelters, and direct support for shelters.
 3. **Homeless Prevention** (24 CFR 576.103) includes services such as housing relocation and stabilization services, and short/medium term rental assistance.
 4. **Rapid Re-Housing** (24 CFR 576.104) services are designed to help a homeless individual or family move as quickly as possible into permanent housing and achieve stability.
 5. **HMIS** (24 CFR 576.104) Grantees/Sub-grantees receiving such assistance must collect and report data on the use of the funds awarded and persons served with this assistance in the Carolina Homeless Information Network (CHIN) a HUD approved Homeless Management Information System (HMIS) compatible system.
 6. **Administration** of the ESG grant. Grantees may expend up to 7.5% of their

annual ESG allocation for reasonable administrative and planning costs.

FY 2014-2015 ESG EXPENDITURES

| ESG Subrecipient | Expenditures |
|---------------------------------------|---------------------|
| Durham Interfaith Hospitality Network | \$16,714.66 |
| Housing for New Hope | \$76,756.88 |
| Genesis Home | \$17,000.00 |
| | |
| DCD- Administration | \$13,165.00 |
| Total | \$123,636.54 |

SECTION XXVII. LEVERAGING RESOURCES

To maximize the impact of federal dollars received by the City, all nonprofit applicants seeking CDBG, HOME, or ESG funds from the City were required to commit funds to the given project or program as follows:

- Public Service/Non-Construction Projects: \$1 for \$1 match
- Housing Construction: \$2 for each \$1 in HOME or CDBG requested
- ESG: \$1 for \$1 match

Pursuant to federal regulations, all ESG subrecipients met the necessary match requirements.

SECTION XXVIII. SUMMARY OF FY 2014-2015 EMERGENCY SOLUTIONS GRANT

EMERGENCY SHELTER-OPERATIONS

Activity: Homeless Shelter Operating Costs
Funding Source: ESG
IDIS Activity Number: 2034
Matrix Code: N/A
Allocation: \$20,361.00
Expended FY 2014-2015: \$15,793.53
Responsible Entity: Durham Interfaith Hospitality Network
Entity Location: 1216 North Roxboro
Area Served: City-wide
National Objective: N/A
Goal: To provide operational support.

Activity Description: Financial assistance to defray the cost of operating and maintaining two apartments used to shelter homeless families. Cost included telephone, rent, utilities, insurance, routine maintenance and repairs, travel expense for job hunting and case management activities, office supplies, and contractual services such as pest control when pre-approved.

Accomplishments: Durham Interfaith Hospitality Network (DIHN) maintains two apartments to shelter homeless families but they coordinate the services provided by a network of over 30 churches in Durham who work with them, each providing similar shelter and services after DIHN interviews the families to determine what their needs are. This grant supports the DIHN apartment units.

EMERGENCY SHELTER-OPERATIONS

| | |
|-------------------------------|--|
| Activity: | Operational Support |
| Funding Source: | ESG |
| IDIS Activity Number: | 2005 |
| Matrix Code: | N/A |
| Allocation: | \$14,868.00 |
| Expended FY 2014-2015: | \$921.13 |
| Responsible Entity: | Durham Interfaith Hospitality Network |
| Entity Location: | 1216 North Roxboro St, Durham, NC 27701 |
| Area Served: | City-wide |
| National Objective: | N/A |
| Goal: | To provide operational support for homeless shelter. |

Activity Description: Financial assistance to defray the cost of operating and maintaining two apartments used to shelter homeless families. Cost includes telephone, rent, utilities; insurance, routine maintenance and repairs, travel expense for job hunting and case management activities, office supplies, and contractual services such as pest control when pre-approved.

Accomplishments: Durham Interfaith Hospitality Network (DIHN) maintains two apartments to shelter homeless families, and they coordinate shelter and services provided by a network of over 30 local churches. DIHN interviews the families to determine what the family needs, refers that family to the church most capable of meeting those needs, and coordinates services for up to 60 days. A total of 23 persons, including 12 children under the age of 6 occupied the DIHN apartments during the contract period.

RAPID-REHOUSING-HOUSING

Activity: Rapid Rehousing
Funding Source: ESG
IDIS Activity Number: 2006
Matrix Code: N/A
Allocation: \$67,621.00
Expended FY 2014-2015: \$61,798.00
Responsible Entity: Housing for New Hope
Entity Location: 18 West Colony Place, #250
Area Served: City-wide
National Objective: N/A
Goal: To rapidly rehouse 80 homeless households

Activity Description: To provide rapid re-housing services to at least 45 homeless family households and at least 35 single households assisting them to secure, and maintain permanent housing with tenancy rights, that ends their homelessness

Accomplishments: The program met targets with assistance provided to 92 households which included 73 family households and 19 individual households during the report period which ended their homelessness. A total of 279 distinct beneficiaries were served by the project during the reporting period.

RAPID-REHOUSING

Activity: Rapid Rehousing
Funding Source: ESG
IDIS Activity Number: 2033
Matrix Code: N/A
Allocation: \$79,554.00
Expended FY 2014-2015: \$11,665.38
Responsible Entity: Housing for New Hope
Entity Location: 18 West Colony Place, #250
Area Served: City-wide
National Objective: N/A
Goal: To rapidly rehouse homeless persons

Activity Description: To target rapid re-housing services to the most appropriate homeless households assisting them to achieve progress toward HUD Homeless System Performance Measures with the primary goal to obtain and maintain permanent housing with tenancy rights, that ends their homelessness.

Accomplishments: The project met five of five (100%) of the detailed objectives outlined in the scope of work which included 98% of households exiting to permanent housing.

EMERGENCY SHELTER-OPERATIONS

Activity: Operational Support
Funding Source: ESG
IDIS Activity Number: 2005
Matrix Code: N/A
Allocation: \$17,000.00
Expended FY 2014-2015: \$17,000.00
Responsible Entity: Genesis Home
Activity Location: 300 N. Queen Street
Area Served: City-wide
National Objective: N/A
Goal: To provide operational support to assist 80 homeless individuals.

Activity Description: Genesis Home works to end homelessness for families with children and young adults by providing housing and supportive services to foster their independence. Funding provided to support operational costs, which include liability insurance and utility costs.

Accomplishments: Genesis Home assisted 30 homeless families consisting of 116 individuals.

HOMELESS PREVENTION

Activity: Homeless Prevention Assistance
Funding Source: ESG
IDIS Activity Number: 1945
Matrix Code: N/A
Allocation: \$43,975.00
Expended FY 2014-2015: \$3,303.50
Responsible Entity: Housing for New Hope (HNN)
Activity Location: 18 W. Colony Place, #250
Area Served: City-wide
National Objective: N/A
Goal: To provide short-term homeless prevention assistance to at least ten (10) households.

Activity Description: Funding to provide assistance with essential and homeless prevention services to households at risk of homelessness.

Accomplishments: During the contract period, HNN assisted a total of 15 unduplicated households at risk of homelessness of which 12 had been reported previously in the FY 2013-2014.

PROGRAM ADMINISTRATION

Activity: Planning and Administration
Funding Source: ESG
IDIS Activity Number: 1947 & 2037
Allocation: \$13,165.00
Expended FY 2014-2015: \$13,165.00
Responsible Entity: City of Durham-Department of Community Development
Activity Location: 807 E. Main Street
Area Served: City-wide
National Objective: N/A
Goal: To successfully administer the ESG Program.

Activity Description: Federal regulations allow grantees to expend up to 7.5 % of their annual ESG allocation for reasonable administrative and planning costs.

Accomplishments: The DCD staff provided oversight and project management ESG subrecipients.

SECTION XIX. SELF EVALUATION

The 2014-2015 Fiscal Year was marked by rapid progress in the Southside Neighborhood Revitalization Strategy Area (NRSA). As of June 30, 2015 all work on The Lofts portion of the Southside NRSA was complete. This mixed-income rental development by McCormack Baron Salazar was complete, and all eighty of the affordable Low Income Housing Tax Credit units were leased up and the majority of the market rate units were also leased.

On June 6th, 2014 the City of Durham celebrated the first closed home in The Bungalows with a ribbon-cutting ceremony. By June 30th, 2015, 44 of 48 lots in the ownership portion of the NRSA had been reserved by pre-approved buyers, with 24 of those new homes closed on and occupied. Of the closed mortgages, 13 homebuyers (54%) were below 80% Area Median income (AMI), and 11 were market rate. Below 80% AMI homebuyers received combinations of subsidiary mortgage assistance from the North Carolina Housing Finance Agency and the City of Durham, ranging from 0% deferred mortgages to 2% amortizing mortgages, to 0% forgivable mortgages.

The City's objective of attracting private investment accelerated notably in FY 2014 -2015. Substantial renovations of vacant and/or deteriorated begun the prior year were sold at price points above those in The Bungalows. Additional existing homes and vacant lots were being purchased with new construction ownership units being developed. A parcel of land owned by the Self-Help Credit Union immediately adjacent to The Bungalows was sold to one of the contracted builders for additional market rate homes to be built and two affordable rental duplexes.

The DCD's Loan Portfolio continued to grow with the new Southside Development through the financial assistance qualified borrows can receive. The DCD has a full time Homeownership Counselor who provides borrowers with financial or budgeting help and support they need to ensure they will be able to qualify for a first mortgage loan and be able to live in their home for many years. In addition to counseling services, the Counselor works with the DCD loan portfolio staff to help reduce its overall delinquency percent by helping delinquent borrowers with budgeting issues and/or developing loan work-out options for qualified borrowers. The Counselor continues to produce positive outcomes by increasing borrowers' financial knowledge and helping homeowners to remain in their homes. In addition, CDBG-funded second mortgages at 0% were provided to six below 60% AMI Habitat for Humanity of Durham buyers in FY 2014 -2015.

The City met most of its goals and objectives for the FY 2014-2015 program year. CDBG regulations require that a grantee disburse its funds on timely basis and not have more than 1.5 times its current allocation in its line of credit 60-days prior to the end of its program. The City met both the CDBG timeliness test, and the HOME commitment by the deadline dates. Under the HOME regulations, a grantee has 24 months to commit its allocation, and 5 years to expend the funds. During FY 2014-2015, the City was awarded and expended

an additional allocation of NSP-3 funds in a timely manner.

The City is committed to supporting the goals of the Consolidated Plan by focusing on neighborhood revitalization and housing for persons with special needs. The City looks forward to continuing to improving its neighborhoods through community partnerships, and in investing resources as they become available

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